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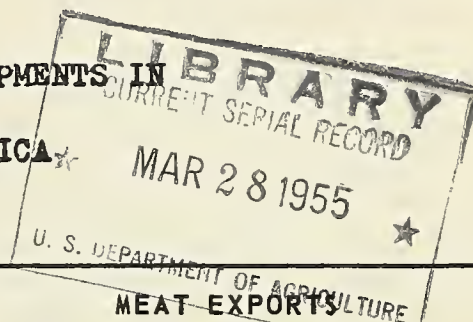
UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON, D. C.

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March 21, 1955

LIVESTOCK DEVELOPMENTS IN

LATIN AMERICA



MEAT EXPORTS



1934-38 AV.



1946-50 AV.

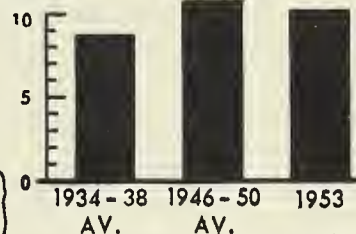


1953

MEAT PRODUCTION and EXPORTS LATIN AMERICA

MEAT PRODUCTION

BIL. LBS.



	PRODUCTION (MILLION POUNDS)	NET EXPORTS
1934-38 Av.	8,750	2,000
1946-50 Av.	10,950	1,750
1953	10,500	950

As Latin America has become more industrialized and living standards have improved, meat supplies for export have declined significantly. Argentina, Uruguay and Mexico are now the only exporters of much importance.

Meat output is above prewar and shows promise of further expansion.

Summary

Livestock numbers and meat-animal production have increased markedly in Latin America since the beginning of World War II, but in recent years there has been a temporary decline in slaughter and meat production. Increased local demand and a temporary decline in meat output have resulted in a sharp drop in meat exports and have focused attention on the need for livestock improvement and greater meat output.

Cattle numbers in Central America in 1954 were estimated to be about 10 percent above the average of 1946-50 and 26 percent above prewar. In South America numbers in 1954 were about 11 percent above the postwar average and about 33 percent above prewar. For Latin America, as a whole, cattle numbers in 1954 were 11 percent above the average for 1946-50 and 31 percent above the 1936-40 average. The increase has been general, with the exception of a few countries like Uruguay and Chile.

Sheep numbers in Latin America have increased about as much as cattle numbers since prewar. The number of sheep on farms in 1954 was estimated to be 8 percent above the average for 1946-50 and 26 percent above prewar. Sheep numbers have increased materially in Bolivia, Brazil, Chile, Colombia and Uruguay.

Hog numbers and pork production have also increased significantly. Numbers in Latin America in 1954 were an estimated 18 percent greater than the average for 1946-50 and almost a third above prewar.

Production of all meat in 1953 in the principal Latin American countries was estimated to be 4 percent below the 1946-50 average but 18 above prewar. The decline in production from the 1946-50 average is due primarily to the current uptrend in livestock numbers. Therefore greater production may be expected in future years from the larger number of animals now on hand.

The most pronounced change in the livestock industry in South America in recent years has been the tendency for meat exports to become smaller and smaller. For example, during 1953 net exports of all meat from important Latin American countries were 46 percent below the average for 1946-50 and 53 percent below prewar. The smaller supplies for export, not only reflect the temporary reduction in meat production, as livestock numbers have been increasing, but are also due to increased home consumption. As the area has become more industrialized the demand for meat has risen. Uruguay and Argentina are now the only surplus producers of meat of any importance and many countries such as Colombia, Paraguay, and Brazil, formerly large exporters, are now finding it difficult to supply enough meat from local production to fill the expanding needs of the people. South America has been an important supplier of beef for deficit areas of the world, but it appears that this role will become less important in the future and a few years hence, importing countries of the world may look to Africa as a new source for beef. The higher standard of living enjoyed by the South Americans and the fact that the human population is increasing rapidly, are increasing the incentives of obtaining increased production from livestock.

Prepared by Grever J. Sims and Dorothy Woodgood.

Livestock production in the tropical and semi-tropical regions of Latin America, is on the threshold of a potentially large-scale development which will help in the diversification of agriculture and make the countries less dependent upon the sale of cash crops, such as coffee and cocoa. These nations want to prevent the distress which results when prices of an important crop, like coffee, fall and to cushion the economy from the effects of one-crop farming. They also desire to improve the living standards of the local people.

Developments in Cattle Breeding and Husbandry

In recent years there has been an unusual interest in the improvement of the productivity of livestock in Central and South America, particularly in the tropical and sub-tropical areas. Greater production is being brought about by imports of superior breeding stock, encouragement of the use of better breeding stock from local sources, better feeding and better husbandry practices in general.

The government of Ecuador made available during 1953, a special fund equivalent to over 2½ million American dollars for loans to livestock producers to finance purchases of imported cattle, hogs, goats, and sheep. This was in addition to a 10 million dollar fund made available for investment in agriculture production, animal husbandry and industrial development over a four-year period. Loans to livestock producers under this arrangement can be used for such purposes as construction of silos, barns and other farm structures, for irrigation works and soil conservation projects. The government has not been importing livestock for its own account for resale to producers.

During 1954 Costa Rica authorized the export of fat beef cattle which had been banned for a number of years. The exportation of all cattle had been prohibited from June 1947 until June 1954 so that Costa Rica could become self-sufficient in livestock and meat production. As little as 7 years ago the country had to import 20 percent of its annual beef supply in the form of young stock of stocker cattle from Nicaragua. These imports ceased in 1951 and now with increased use of vaccines, artificial insemination, and improved husbandry, Costa Rica may become a net exporter of beef cattle. The small country has greatly increased its production of cattle in recent years. The entire cattle population was estimated at 366,000 head prior to World War II but reached around 685,000 head in 1951.

Guatemala has removed import duties on breeding animals. The government also authorized imports of feeder and stocker cattle from central American countries free of duty. Beginning September 1, 1955 it will permit the exportation of cattle (or beef from cattle weighing at least 900 pounds live-weight), providing the meat needs of the country have been satisfied.

Since the end of World War II Guatemala has imported cattle each year and has never exported significant numbers. The largest imports of feeder and slaughter animals in recent years have totaled about 40,000 head. Imports of

purebred cattle during 1954 consisted mostly of Holsteins and Santa Gertrudis. According to a census in 1950 there were 903,000 head of cattle in Guatemala. It is believed that numbers now are substantially larger.

The Development Bank of Honduras is now making loans to cattle breeders for 80 percent of the value of the breeding stock imported, payable prior to the actual date of importation. Formerly the bank imported stock for its own account and sold them to individual Honduran farmers. Breeds of cattle imported during recent years have included ~~Aberdeen-Angus~~, Jersey, and Brown Swiss, mostly of the latter two breeds.

The Ministry of Agriculture of Honduras and the National Development Bank continue programs designed to increase and diversify agricultural production and to raise the standards of living of the Honduran farmer. The government also is continuing its relatively large road building program which is opening up important producing areas and is achieving better distribution of agricultural products.

Emphasis on dairy breeding is explained by the government's desire to reduce dependency on imported dairy products which now amount to the equivalent of over U.S. \$500,000 per year. The National Development Bank has completed preliminary studies of two projects designed to aid in overcoming the problem of dairy food supplies. One study envisages the construction of concentrated milk plants at Tegucigalpa, San Pedro Sula and Choluteca. The Tegucigalpa plant, to be financed jointly by the bank and private capital, has now gained sufficient capital to place an order for machinery.

The bank also completed studies in early 1953 of the feasibility of setting up pasturization and dry milk plants near San Pedro Sula. The project has been approved in principle by dairymen near that city but they have requested it be delayed until such time as they are in a position to insure an adequate supply of milk to keep the plant in steady production. Dairymen are being encouraged to do more supplemental feeding of stock than has been the practice.

Honduras has a relatively small output of livestock products. It is estimated that beef production in 1954 was only 33 million pounds and pork production about 7 million. Honduras is a surplus producer of cattle but normally imports some pork products.

The cattle industry of Nicaragua offers one of the most promising fields for the expansion of agriculture in that country. Cattle are used for milk, meat and draft purposes with little specialization for any one purpose. In recent years there has been considerable interest in improving the quality of the native livestock through the introduction of well adapted Brahman and Santa Gertrudis cattle. Better production methods have further increased the productivity of the industry.

Up to a few years ago, at least, the cattle industry of Nicaragua was considered of equal importance with the coffee industry in the internal economy

of the country because of its wide distribution and the number of people who directly, or indirectly, derive their livelihood from it. A recently completed livestock census showed that Nicaragua had 1.2 million cattle. Although earlier population figures have not been considered accurate, the present number may be an all-time high. The country has about one head of cattle per person.

Production of hogs in Nicaragua is relatively small and practically all the pork produced is consumed locally. Sheep production is on a very limited scale.

The Nicaraguan livestock industry has not reached the point where exports have assumed much prominence. For many years small numbers of cattle on the hoof have been exported, principally to Honduras and Costa Rica. In some recent years small shipments of beef have gone to Cuba and Venezuela and even to the United States. Small amounts of smoked, salted and canned meats are imported regularly into Nicaragua.

Increased imports of both dairy and beef cattle for breeding by Mexico indicate the interest in livestock improvement there. Imports of dairy cattle from Canada have increased and total imports may rise further. A rapid expansion in dairying in Mexico is expected in the next few years. Imports of dairy cattle for breeding from all countries during 1953 totaled 1,083 of which about 85 percent were from the United States and 15 percent from Canada. Mexican imports of beef cattle for breeding during 1953 totaled 3,814 head. Practically all of the beef cattle were obtained in the United States.

Colombia has given increased attention to the introduction of imported livestock. Measures taken during the past year to expand production and aid in improving the quality of local stock include: Increasing the amount of credit available to the livestock industry and making credit terms more attractive; encouraging the importation of breeding stock by providing for long-term loans up to 100 percent of the value and by tax concessions; establishing additional Departmental Livestock Credit Associations; and purchasing pure-bred animals for resale to colonists. The government has also considered plans for the large scale importation of commercial heifers and is making plans to establish a National Federation of Livestock Producers, with sufficient capital and authority to make a substantial contribution to the development of the industry.

The Ministry of Agriculture of Venezuela has purchased around 5,000 head of pedigreed Brahman bulls from the southern United States, the first of planned shipments of that number each year. These animals will be turned over to livestock producers in Venezuela at cost. The government is offering credit to farmers to encourage purchases of the improved breeding stock.

Livestock and Meat Marketing

Marketing and processing facilities for livestock and meat are not well developed in many areas of Latin America and marketing services are inefficient. This is due to a number of reasons; the lack of transportation which often involves long overland trailing of live animals to slaughter plants and large

cities; the lack of refrigerated equipment, especially in areas of small population; the small size of retail establishments and the fact that much of the meat is sold fresh and is not refrigerated. Because a large amount of the slaughter is done in local areas by small operators, poor use is made of the animal by-products. Price controls on meat in such countries as Argentina, Brazil, Paraguay, and Cuba tend to discourage increased production of livestock and the improvement of the local stock.

Increased demand for meat in South America, without a corresponding increase in production, has brought about a number of changes in the livestock and meat industries of the particular countries. Beef supplies in Brazil, particularly in the large cities, have been short for a number of years. During 1953 the government supply and price agency shipped beef into Rio de Janeiro and retailed it at cut-rate prices from refrigerated trucks. These supplies came largely from southern packers and supplementary small imports from Uruguay. The Brazilian government permitted foreign shipping firms to haul meat between the coastal ports, but because of delays and difficulties in loading and unloading, most ship lines did not consider this trade to be profitable. The basic causes of the meat shortages have been the controlled prices, the seasonality of livestock slaughter, and the difficulty in transporting livestock from producing to slaughter areas and meats from slaughter plants to the large urban centers.

Cattle growers and packers in southern Brazil hope that they may increase their exports of frozen beef in future years. Consumption of meat in Brazil has remained fairly constant, while at the same time farmers have increased cattle numbers. There is, however, a strong attitude against exports among consumers who recall the meat shortage for the past few years and because of the rapid industrialization of the country which is increasing the demand for meat. The export market has declined substantially because of Government restrictions on slaughter and export allocations and also because currency devaluation in other important importing nations has placed Brazilian export packers at a distinct disadvantage.

The loss of the export market has brought many changes in southern Brazil. The larger export packers located in Rio Grande de Sul have been forced to expand their local business. The southern packers have increased production of dried and frozen beef for urban markets in the north. They are at a disadvantage in marketing frozen beef which has a low consumer acceptance in the domestic market. The lack of facilities to store, transport and distribute frozen beef is a national problem.

The Brazilian government is making plans to establish slaughter plants near the areas of cattle production so as to make better use of the by-products from the slaughter industry and to avoid the long over-land shipment or trailing on hoof of cattle from producing areas to slaughter centers and urban markets.

The wide spread between prices of beef at retail and the prices received by producers of live cattle in Venezuela has been of considerable concern. The basic

cause of the wide price spread is one of marketing and transportation. Transportation is being improved with the construction of modern highways but it will take much more development before city consumers can be adequately served from surplus producing rural areas. Much of the beef consumed in the city of Caracas is flown in by air. More efficiency could be achieved in the distribution of meat by the introduction of modern packing plants and the better use of slaughter by-products which are not now being effectively utilized.

Low consumer acceptance for frozen beef and a lack of refrigeration facilities in the Netherlands West Indies are resulting in higher meat prices there and inefficiencies in marketing. Imported cattle supply a large proportion of the beef requirements of the Islands of Curacao and Aruba, the most important of the Netherlands Antilles group. The native population is not accustomed to using frozen meat and prefers beef from local slaughter. Thus the islands require imports of live animals for slaughter while meat supplies could be more easily transported in dressed form.

Peru experienced meat shortages during 1954. Trial importations of live cattle were made from Mexico, both as breeding stock and for immediate slaughter. Mexican port facilities were inadequate for the efficient loading of the live animals and the high shipping costs resulted in a loss to the Peruvian importers. The inadequate facilities for handling meat in Peru made it difficult to alleviate the shortages there.

Comprehensive changes in Costa Rica's basic sanitary and inspection laws relating to livestock slaughter, meat production, exports and imports, were adopted in August 1954. This legislation was patterned after the meat inspection laws of the United States and will permit products meeting the inspection standards to continue to be admitted to the United States. It is reported that the municipal slaughter house at San Jose will not measure up to the new standards. However, plans have been formulated by the government for the financing and construction of a new facility. When it has been completed the old slaughter house will be condemned.

While cattle numbers have increased slightly in Paraguay, the country has found it difficult to supply enough beef for local requirements for several years and it will be some time in the future before it can re-establish itself as a beef exporter of any importance. Pasturage is abundantly rich in Paraguay and it is believed that the country is capable of supporting a greatly increased number of livestock. If the basic causes for low production were corrected, it would be possible for Paraguay to re-establish itself as an important exporter of beef products.

The meat supply situation has been of considerable concern for several years, due to the poor distribution system, the government's price control policy, and large weight losses on cattle during the long over-land drives from producing areas to slaughter and consuming centers.

The human population in Paraguay has been increasing at a fairly fast rate. As late as 1946 meat products were the most important export from Paraguay, making up more than one-fifth of the value of the export movement, but now they are of

minor importance and the slaughter plants which packed for the export trade are closed most of the year.

The meat supply in Montevideo is monopolized by an official agency which slaughters and sells meat at controlled prices to the open-air markets. Meat is ungraded. Thus carcasses from old cows were the same as those from young steers. Securing good beef is largely a matter of luck or discernment on the part of buyers. The failure of the government to grant price increases to producers, in order to hold consumer prices in check, has destroyed the incentive of farmers for producing cattle, while the "one price" system has destroyed incentive for improving their quality.

SHSEF: Number in Central and South America
Averages 1936-40 and 1946-50 and
Annually 1952-54

Country and region	Month of	Estimate 1/	Average 1936-40	1946-50	1952	1953 2/	1954 2/
			Thousands	Thousands	Thousands	Thousands	Thousands
<u>Central America</u>							
Guatemala	July		273	665	-	-	-
Mexico	Dec. 31 1/	3/4/	4,809	4,900	5,000	4,800	5,000
<u>South America</u>							
Argentina	July	5/	44,900	50,000	51,500	55,000	55,500
Bolivia	Dec. 31 1/	3/	2,608	4,000	-	-	6,464
Brazil		5/	11,438	14,413	15,391	16,264	-
Chile	June	5/	5,855	6,050	7,200	6,500	-
Colombia	Dec. 31 1/		916	1,110	-	1,465	1,550
Falkland Islands			604	610	584	594	-
Paraguay	Dec. 31 1/	5/	159	254	200	-	-
Peru		3/	14,900	17,852	15,904	16,200	-
Uruguay	May	3/	17,931	21,600	27,000	28,500	28,500
Estimated Total							
South America			100,900	117,500	124,500	126,400	127,600
Estimated Total							
Central & South							
America			106,500	123,600	130,800	132,500	133,900

1/ End of year estimates (October to December) included under following year for comparisons and totals. Thus for Mexico the December, 1951 estimate of 5,000,000 head is under 1952. 2/ Preliminary. 3/ Census or estimate for single year. 4/ June. 5/ Average for 2 to 4 years only.

CATTLE: Number in Central and South America,
Averages 1936-40 and 1946-50, Annually
1952-54

Country and Region	Month of	Average				
	Estimate	1/ 1936-40	1946-50	1952	1953 2/	1954 2/
		:Thousands	:Thousands	:Thousands	:Thousands	:Thousands
Central America	:	:	:	:	:	:
Costa Rica	:	366: 3/	556:	-	-	-
El Salvador	: July	680: 3/	700:	-	-	-
Guatemala	: July	520: 3/	900:	-	-	-
Honduras	: July	524: 3/	1,000:	1,140:	1,175:	-
Mexico	: Dec. 31 1/	3/4/ 11,716:	13,530:	15,000:	15,000:	15,500
Nicaragua	:	3/ 800:	3/ 1,235:	1,250:	1,250:	1,182
Panama	:	3/ 434:	5/ 567:	-	600:	-
Cuba	: Dec. 31 1/	5,024:	4,500:	4,440:	-	4,450
Dominican Republic	:	3/ 885:	5/ 887:	860:	-	-
Estimated Total Central America	:	:	:	:	:	:
	:	21,700:	24,800:	26,600:	26,700:	27,300
South America	:	:	:	:	:	:
Argentina	: July	3/ 33,762:	41,150:	39,000:	41,000:	42,000
Bolivia	:	5/ 1,842:	5/ 1,493:	1,650:	-	2,260
Brazil	:	3/ 40,807:	46,200: 1/	53,513: 1/	55,854:	1/ 55,900
Chile	: June	2,489:	2,345:	2,293:	2,300:	-
Colombia	: Dec. 31 1/	3/ 8,010:	14,148:	15,090:	13,000:	13,650
Ecuador	:	3/ 1,300:	5/ 1,500:	-	-	-
Paraguay	: Dec. 31 1/	3/ 3,259:	3/ 3,890:	3,857:	-	-
Peru	:	-	3/ 2,790:	3,189:	3,190:	-
Uruguay	: May	5/ 8,297:	7,875: 1/	8,000: 1/	8,000:	1/ 7,200
Estimated Total South America	:	:	:	:	:	:
	:	105,500:	126,500:	134,300:	139,400:	139,800
Estimated Total Central & South America	:	:	:	:	:	:
	:	127,200:	151,300:	160,900:	166,100:	167,100

1/ End of year estimates (October to December) included under following year for comparisons and totals. Thus for Mexico the December 1951 estimate of 15,000,000 is shown under 1952. 2/ Preliminary. 3/ Average for 2 to 4 years only. 4/ June. 5/ Census or estimate for a single year.

HCGs: Number in Central and South America,
Averages 1936-40 and 1946-50 and
Annually 1952-54

Country and region	Month of Estimate	1/ 1936-40	Average	2/ 1946-50	3/ 1952	4/ 1953	5/ 1954
			Thousands	Thousands	Thousands	Thousands	Thousands
<u>Central America</u>							
El Salvador	: July	: 3/	559:	325:	-	-	-
Guatemala	: July	: 3/	213:	394:	-	-	-
Honduras	: July	: 3/	235:	364:	521:	550:	-
Mexico	: June	: 3/	4,965:	5,960:	5,500:	-	7,500
Nicaragua	: 3/	: 3/	250:	250:	350:	360:	-
Cuba	: Dec. 31	: 1/	904:	1,730:	1,286:	2,500:	2,000
Dominican Republic	: June	: 3/	842:	1,140:	1,100:	-	-
Estimated Total Central America			9,000:	11,400:	12,500:	12,800:	13,400
<u>South America</u>							
Argentina	: July	: 3/	3,674:	3,000:	2,900:	2,500:	2,000
Brazil	: 3/	: 3/	23,224:	24,400:	1/ 27,801:	1/ 30,916:	1/ 30,000
Chile	: June	: 3/	420:	3/ 590:	700:	720:	-
Colombia	: Dec. 31	: 1/	1,572:	3/ 2,092:	2,378:	2,500:	5/ 1,819
Ecuador	: 3/	: 3/	350:	3/ 1,070:	-	800:	-
Peru	: 6/	: 3/	800:	3/ 911:	1,268:	1,350:	1,390
Uruguay	: May	: 3/	373:	3/ 258:	259:	260:	1/ 275
Estimated Total South America			31,300:	33,900:	38,700:	41,400:	40,000
Estimated Total Central & South America			40,300:	45,300:	51,200:	54,200:	53,400

1/ End of year estimates (October-December) included under following year for comparisons and totals. Thus for Cuba the December 1951 estimate of 1,286,000 is shown under 1952. 2/ Preliminary. 3/ Average for 2 to 4 years only. 4/ Census or estimate for single year. 5/ Figure as of June 1954. 6/ Year 1934.

MEAT 1/: Production in Specified Countries of Central
and South America, Averages 1934-38 and 1946-50
and Annually 1952-53

Country and Region	Average			
	Prewar			
	1934-38	1946-50	1952	1953
	Million	Million	Million	Million
	Pounds	Pounds	Pounds	Pounds
Central America:				
Mexico	698	1,035	1,156	1,096
Cuba	153	414	410	410
South America:				
Argentina	4,327	5,215	4,800	4,398
Brazil 2/	2,330	2,695	2,928	3,000
Chile	299	426	417	422
Paraguay	233	230	172	170
Uruguay	571	743	845	816
Venezuela	3/ 135	173	189	183
Total	8,746	10,931	10,917	10,495

1/ Carcass meat basis - excludes offals and lard. 2/ Excludes farm production.
3/ Average of 1934 and 1938 only.

Foreign Trade in Meat 1/ in Specified Countries of Central
and South America, Averages 1934-38 and 1946-50 and
Annually 1952-53

Country and Region	Net Trade (Exports ± Imports -)			
	Prewar			
	1934-38	1946-50	1952	1953 2/
	Million	Million	Million	Million
	Pounds	Pounds	Pounds	Pounds
Central America:				
Mexico	- 1	+ 56	+ 115	+ 39
Cuba	- 7	- 24	- 42	
South America:				
Argentina	+ 1,460	+ 1,309	+ 646	+ 725
Brazil	+ 211	+ 132	- 7	+ 1
Chile	+ 21	+ 12	+ 1	+ 3
Paraguay	+ 16	+ 41	3/ + 5	+ 3
Uruguay	+ 324	+ 236	+ 176	+ 191
Venezuela	- 3	- 18	- 12	- 16
Total	+ 2,021	+ 1,744	+ 882	+ 946

1/ All meats converted to a carcass weight equivalent - includes beef and veal,
pork, mutton and lamb, goat and horse meat; excludes live animals, edible
offal, lard, rabbit and poultry meat. 2/ Preliminary. 3/ Based on imports
in receiving countries reporting imports by origin.

